

FISCAL NOTE

SB 1237 - HB 1253

March 11, 2005

SUMMARY OF BILL: Authorizes an employee leasing company to sponsor and maintain an employee benefit and welfare plan for its leased employees. Exempts the employee leasing company from paying premium taxes on such plans, retroactive to April 22, 1996.

ESTIMATED FISCAL IMPACT:

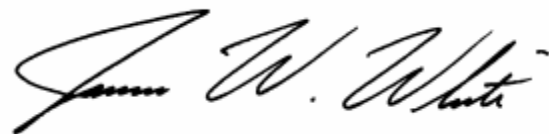
**Forgo State Revenues – Exceeds \$50,000 Recurring
\$300,000 One-Time**

Assumptions:

- The Department of Commerce and Insurance collects premium taxes on all contracts of insurance.
- The Department currently considers employee benefit and welfare plans offered by employee leasing companies as contracts of insurance.
- The Department has assessed but has not yet collected premium taxes on such plans.
- In the absence of this bill, the Department expects to collect approximately \$300,000 in state revenues from currently owed and outstanding premium taxes. There will be recurring forgone revenues from not assessing and collecting premium taxes in the future from entities that are currently being assessed and from any other entity that decides to offer such benefits in the future.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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